

Nov. 18, 2008 Minutes : Facilitation of Community Choices Committee

The Committee met at the Bangs Center. The meeting was called to order at 7 PM

Members Present, Stan Gawle, Irvin Rhodes , Richard Spurgin , Alison Donta- Venman , Martha Hanner, Jerry Jolly and Joan Golowich

Members Absent : Isaac Ben-Ezra, Katherine Vorwerk Feldman and Bob Saul

Others Present : John Musante, Andy Steinberg, Larry Kelly and Andy Churchill

Approval of minutes : On a motion Richard Spurgin and a second by Irv Rhodes, the minutes of the Nov. 13, 2008 meeting were adopted with only one change: under members present change Volwerk to Vorwerk

The following recommendations were reviewed:

1. ***The Committee concludes that Amherst faces a serious and growing budget gap between projected revenues and the cost of providing the current level of Municipal, School, and Library services.*** If State aid remains constant, the budget shortfall is approximately \$2.66 Million in FY2010, rising to \$10.2 M in FY2014. If State aid decreases by 15% next year, as in previous economic downturns, then the budget gap will be approximately \$5.2 M in FY2010.

By consensus, the committee approved the recommendation

2. ***Under the current economic conditions, the Committee finds it impossible to recommend a specific scenario other than the Level Funding Scenario.***

Community feedback overwhelmingly appears to support Level Services. However, given the uncertainty in State aid, the pace of local economic development, and in the appetite of the community for an override, we find it unrealistic to recommend a more optimistic scenario than level funding.

Wording change:

Under the current economic conditions, the Committee recommends the Level Funding Scenario.

Joan- ok with wording ; Rich stated that he supports level service funding for schools , level funding for others; Stan ok; with wording; Jerry believed exception should be in the school area based on responses ; Irv agreed with Rich but said schools have to go through budget, really seek out cost savings and define level services; Alison agreed with level funding Martha agreed with statement because money isn't there to support level services and stated that Bob had written the statement.

The committee left this is recommendation without a formal vote until later.

3. ***The FCCC recommends that the Select Board take the lead in defining a core budget to fit within the anticipated revenue shortfalls.*** The Committee does not foresee that a balanced budget can be achieved by cutting all services equally, particularly if State aid decreases. Priorities must be set and difficult choices made. These core budget decisions should be formulated at the Library, Municipal, Elementary, and Regional school levels, beginning immediately, so that the FY2010 to FY2014 budgets can be built upon the concept that certain services are sacrosanct and everything beyond the core is an augmentation.

Irv asked questions about the parameters of the core; Jerry agreed as written; Stan agreed but recommended striking the word shortfalls after revenue; Alison agreed; Rich said that this isn't a major finding and should be added at the end of our recommendations; Joan agreed with Rich; Martha said that it was important to say this somehow in the recommendations.

John noted that the School committee and Library trustees should also be added.

Revised statement: **FCCC recommends that the Select Board, School Committee and Library Trustees define a core budget to fit within anticipated revenues . Committee approved on a 6-1 vote**

4. ***The Committee concludes that an override will be necessary at some point in the next 5 years to sustain core school and municipal services.*** As we look ahead to FY2014, it appears that it will be impossible to maintain even a “core services” budget without some substantial augmentation of property tax revenues. Short of a systemic overhaul of taxation, municipalities must rely on property taxes as the major source of revenue. Once concerted efforts by our elected officials to make difficult decisions about service priorities have been implemented, we anticipate broader public support for an override.

Irv disagreed with statement. If we recommend an override, we will be seen as agents of the government agency. We need to get control of fixed costs and we haven't made recommendations on the use of property taxes used for capital expenditures.

Jerry said that this statement should be the last of our recommendations. We are sending a message but there have to be cuts and restructuring listed first.

Stan said he couldn't support this statement until there was givebacks by employees and other financial actions to reduce the amount of an override.. The salary increases given away to the employees totaled \$2,171,526 in FY 10 alone. Property tax revenue for capital should be reduced and used to reduce lay-offs in core budgets.

Alison suggested different wording such as override might be necessary be used. She also recommended the use of a menu override which would allow for choices.

Rich said that an override is so obvious that to quibble about it makes no sense.

Joan agreed with Rich.

Martha stated that sooner or later an override would be necessary.

No action was taken

5. ***The FCCC does not recommend that the Select Board seek an override vote for the FY 2010 budget.***

Irv said he would not support an override until the fixes were done first.

Jerry was against this statement being included and felt the committee shouldn't make a recommendation on when an override should be scheduled.

Stan said that the Town needs to demonstrate first the willingness to make the necessary cuts that a level funded budget would require .

Alison believed that an absolute no override statement in FY 10 should be included.

Rich felt that this decision is best left up to the people to figure out.

Martha felt that since there was a 3-3 position on this question, she asked for committee members to send her our thoughts on language that perhaps would allow for consensus by wed. noon.

Meeting adjourned at 9:05 PM

